and political characters of the peninsula are of more than ordinary value. Especially praiseworthy is his account of the Hon. Joseph Howe, orator, poet and popular tribune, the creator of responsible government at Halifax, a man, it seems, who only wanted the broader stage of our own republic to have attained the fame of a Webster or a Calhoun. We shall not all agree with Dr. Bourinot as to the "stern military necessity" (p. 25) of the dispersion of the Acadians. May we not also take exception to the positive assertion (p. 15) about the "treachery" of Le Loutre in the unhappy incident of How's assassination? Parkman himself became convinced that the complicity of Le Loutre could not be proved. Indeed, Richard has shown (Acadia, I, pp. 269–291) that the sources of this accusation are deeply tainted by anonymousness, prejudice, and the unreliability that attaches to the charges of such a traitor as Pichon. Among the rare and useful documents of the appendix is the (1867) Bannatyne Club text of the original Latin charter (with English translation) granted by King James I. to Sir William Alexander in 1621, by which he was made Lord and Baron of Nova Scotia,—a kingly act that gave its permanent name to the province, but failed to establish the feudal vice-royalty of New Scotland that the Scotch Stuart contemplated. It is to be regretted that a bibliography of Nova Scotia and some account of the literature it has produced, and is now producing, were not added to this work; with these improvements it might serve as a reference-manual for the history of a territory whose interest is second to none in the New World.

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Monopolies and Trusts. By PROFESSOR R. T. ELY. Pages viii, 278. Price, $1.25. New York: The Macmillan Company, 1900.

This admirable volume is the first of a new and very promising series of works to be known as the Citizens' Library of Economics, Politics and Sociology, which the Macmillan Company will publish under the editorial supervision of Professor R. T. Ely. It is also a portion of a large work on "The Distribution of Wealth," which the editor is writing.

Chapter I unfolds the author's idea of monopoly as closely akin to its etymological meaning of the single seller. Substantial and controlling unity of action in any line of business is with apparent justice held to be the essential of monopoly. A sufficient percentage of a business must be united in one management to give some control of prices. These prices may not always be raised by a monopoly, since

there may be such economies of combination as to permit of more than competitive profits by reducing prices in order to extend the market. Usually, however, the monopoly keeps prices higher than they would otherwise be. Competition need not be legally or altogether excluded. Monopoly may be more or less complete. Land, although it gives differential gains, is not held to be a monopoly, because its ownership is not concentrated in a few hands.

In his second chapter, on the classification and causes of monopolies, the author holds that monopoly arises when there is a profit in combination, and the classification is evidently presented to show in what cases there is this profit. These cases are almost always those where from the nature of things, there can be but few competitors and where in consequence combination is easier than elsewhere. The following is his classification:

A. SOCIAL MONOPOLIES.

I. General Welfare Monopolies.
  1. Patents.
  2. Copyrights.
  3. Public Consumption Monopolies.
  4. Trade-marks.
  5. Fiscal Monopolies.

II. Special Privilege Monopolies.
  1. Those based on Public Favoritism.
  2. Those based on Private Favoritism.

B. NATURAL MONOPOLIES.

I. Those Arising from a Limited Supply of the Raw Material.
II. Those Arising from Properties Inherent in the Business.
III. Those Arising from Secrecy.

Professor Ely explains his meaning of the term Social Monopoly, as "a monopoly which arises out of social arrangements and is an expression of the will of society as a whole, through government, or of a section of society strong enough to impose its will on society." A Natural Monopoly, on the other hand, is a monopoly which rests back on natural arrangements as distinguished from social arrangements. The term social monopoly, however, is so new, and its meaning is so liable to misunderstanding without the accompanying explanation, that it is doubtful whether it is the best possible term. The expression natural monopoly, also, is rather elastic. Some confine it to railroads, street railways, lighting and other such monopolies of situation. Professor Ely holds that monopolies arising from secret processes or the use of such raw material as oil or copper, are natural

monopolies, while still others would say the same of the trust. Perhaps no division into natural and social monopolies is needed.

The author's term special privilege monopolies is good, but the two subdivisions would apparently be better expressed by the terms:

(1) The undesigned outgrowth of government policies in the matter of taxation.

(2) The outgrowth of special favors from situation monopolies, *i. e.*, from monopolies needing certain locations limited in area, such as streets, highways, access to railroad terminals, etc.

It seems hardly fair to assume that government or the public ostensibly and avowedly exhibits favoritism, while it is not the favoritism of privately owned industries in general but of certain special types of the same that Professor Ely has in mind.

In the full text he excludes from his classification those cases which Professor Jenks calls monopolies of large capital. However, as partly explained in the "Forum" for last December, monopoly tends to appear when the product is known by the brand of the maker, and when the necessary capital is not only so large but so specialized that it cannot be withdrawn and so will meet competition by a cut-throat war of rates and prices. The knowledge that attempted competition will indeed destroy the profits of those already in the field but will bring no returns to the would-be competitor, tends to prevent the actual development of competition and leaves the established trust of this special type—not all trusts, by any means—in the enjoyment of its monopoly profits. An established connection with markets and employes and all that is meant by good will has also a powerful influence, as Professor Commons has suggested, in scaring off possible competitors.

In Chapter III, Professor Ely clearly develops a law of monopoly prices whose truth must be admitted by all, viz., "The greater the intensity of customary use, the higher the general average of economic well-being, and the more readily wealth is generally expended the higher the monopoly charge which will yield the largest net returns."

In discussing the taxation of monopolies, he develops the important point that taxes upon grosss receipts are more likely to lead to higher charges or inferior services than taxes upon net revenue. This should be considered by those city and state governments that frequently prefer the tax on gross receipts as less liable to evasion than a tax on net revenue. The difficulties with both forms of taxation will lead more and more, I believe, to putting a tax upon the value of the franchise as indicated by the market value of the securities, as now done by Indiana in respect to the railroads, and in New York and Massachusetts in respect to all franchises.

Professor Ely in this chapter shows how the possibility of using substitutes for a monopoly does not break down the latter, but often leads to the concentration in one management of all the allied groups, as in the case of gas and electric light, surface and elevated railroads, etc. In opposition to the claim of single taxers, that the benefits of reduction in street railway and other similar charges go naturally to the land owner, our author holds that only a portion of the benefits is so absorbed, because the amount of available land supply is increased, and this increase in the supply naturally reduces aggregate land values, just as the increase in the supply of anything reduces its value.

In Chapter IV, on the limits of monopoly and the permanency of competition, good service is done by challenging the claim that most monopolies are due to superior service, and should be left alone as an inevitable phase of evolution. On the other hand, it is clearly shown, as already indicated, that a removal of railroad discriminations and tariff favors would wonderfully weaken most of the trusts. The failure of the leaders of both political parties thus far to grasp this proves their incapacity for true leadership. Professor Ely goes on to say: "It is strange that some conservative economists apparently fail to see that what they concede to the advocates of the superiority of monopolized businesses implies the abandonment of the fundamental position of economics concerning the advantages of competition, and is a virtual surrender to the theory of socialism."

In Chapter V, on the concentration of production and trusts, is given a further valuable discussion of large scale production, and the belief is expressed, based on evidence at hand, that there is no concentration of agricultural area in the hands of farm owners, although there may be concentration of agricultural value.

In the concluding chapter, on evils and remedies, Professor Ely is at his best. To those who would defer applying remedies until fuller knowledge of the evils of the present trust and monopoly situation is obtained, the author replies: "When is that time coming? It is a general truth that we have fullness of knowledge only about dead institutions. But social forces operate continuously, and while we are doing nothing, they are producing their results. To do nothing means simply to let the immense blind social forces now at work operate without interruption and bind us more securely."

On the other hand, to those who would have minute public regulation of trusts, he replies, in very striking language: "We must limit regulation of private business if private business is to be carried on successfully. Some of us can be regulated by all of us, but how everybody is to be regulated indefinitely by everybody cannot well be

explained. The attempted regulation becomes burdensome; there is opposition to it all along the line, and the struggle is attended with political corruption. It is difficult to escape the conclusion that if it has become necessary to appoint a commission to regulate all the great businesses of modern times, the present economic order has become bankrupt."

The real remedies urged are some degree of publicity, as in trusts, and the responsibility of directors for all statements to stockholders, and above all, the destruction of all those special privileges which are connected with railroad discriminations, the cornering of anthracite coal and mineral lands, and the abuses of protection.

In line with all his previous views, and with those which are obtaining increasing acceptance in America and elsewhere, Professor Ely finds the ultimate attainment of these fundamental remedies in government ownership and operation of transportation and municipal monopolies, and public ownership, without necessarily public operation, of mineral and oil fields and in reform of our systems of taxation, both national and local.

On the whole this must be pronounced the best book that has thus far been published upon the trust question, and one that should be studied by all who are writing or thinking upon the issues involved. The lack of an index and a sufficiently full table of contents is to be remedied, we understand, in a later edition.

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The Economics of Distribution. By JOHN A. HOBSON. Pp. 361. Price, $1.25. New York: The Macmillan Company, 1900.

This book is well worth close study, because of its searching criticism of the current doctrines of price and rent. The first three chapters contain a keen discussion of market price and producers' and consumers' rents. Böhm-Bawerk and the Austrian school of economists had developed a theory of market price, showing that the price is set by the marginal pair of buyers and sellers, each of whom comes out exactly even in the bargain. Hobson now introduces into this marginal bargain an element of "forced" or "specific" gain, depending upon the superior cunning or strength of one of the bargainers. Only in a few of the large, open markets, like those of gold, wheat, and cotton, is there such free competition that neither marginal party has an advantage. In all other markets there is a "spread" between the reserve prices on each side, within which superior strength or skill can force one or the other side down to a minimum gain.